



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

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Executive Director

James W. Carter
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355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

October 27, 1994

Mr. David I. Hodson
Kennecott Corporation
P. O. Box 311
Bingham Canyon, Utah 84006-0311

Re: Formal Approval of Form and Amount of Reclamation Surety, Kennecott Corporation, Barneys Canyon Mine, M/035/009, Salt Lake County, Utah

Dear Mr. Hodson:

On October 26, 1994, the Board of Oil, Gas and Mining formally approved the form and amount (\$4,600,000) of reclamation surety for Kennecott Corporation's Barneys Canyon Mine permit revision. The reclamation surety is in the form of a "rider" to the existing surety bond (#5696724) issued by Safeco Insurance Company of America. The Division hereby grants its final approval of this project revision and the revised reclamation surety.

Enclosed please find copies of the fully signed and executed Reclamation Contract and surety bond forms for your files. Also enclosed is the original Reclamation Contract dated October 20, 1992, which is effectively replaced.

Thank you for your time, cooperation and patience in helping finalize this permitting action. Please call me should you have any questions in this regard.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosure
M035009.apl





Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

State of Utah

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DOGM
MINERALS PROGRAM
FILE COPY

October 22, 1992

Mr. Robert B. Kennedy
Director, Treasury Services
Kennecott Corporation
10 East South Temple
P. O. Box 11248
Salt Lake City, Utah 84147

Attention: Jack Welch

Dear Mr. Kennedy:

Re: Replacement Surety for Kennecott Corporation, Barney's Canyon Mine,
M/035/009, Salt Lake County, Utah

Enclosed is a copy of the latest fully signed and executed Reclamation Contract and surety approved by the Board of Oil, Gas and Mining for Kennecott Corporation's Barney's Canyon Mine, M/035/009, located in Salt Lake County, Utah. The Board conditionally approved of the form and amount of surety during its September 23, 1992 hearing. On October 20, 1992, we received formal notification from Safeco Insurance Company of the effective surety date. The reclamation contract agreement and surety were subsequently signed by the Board and Division.

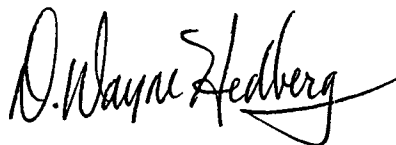
Please note that there were written objections received from two organizations regarding the Barney's Canyon Mine permit revision, during the 30-day public comment period. A December 2, 1992, Board hearing has subsequently been scheduled to hear those objections. On October 20, 1992, the permit revision was conditionally approved by the Division. The surety is currently in effect, but may need to be revised depending on the outcome of the formal hearing on December 2, 1992.

Also enclosed is the original copy of the former Reclamation Contract (dated November 18, 1991), and surety bond # _____ dated August 1988) from Aetna Casualty and Surety Company. The old surety is hereby released and replaced by the new Reclamation Contract and surety bond # _____ from Safeco Insurance Company, approved October 20, 1992.

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Mr. Robert B. Kennedy
M/035/009
October 22, 1992

If you have any questions or concerns in this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with a large, stylized "H" and a long, sweeping underline.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosures
cc: Dave Hodson, Barney's Canyon Mine
M035009.sur